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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

LUIS MORALES-GARCIA, BENITO
PEREZ-REYES, CESAR JIMENEZ-
MENDOZA, GABRIELA RENDON-
VASQUEZ, and JUANA VELASCO-
TORRES, on behalf of themselves and
all others similarly situated,

Plaintiffs,

v.

HIGUERA FARMS, INC., LA
CUESTA FARMING COMPANY,
INC., BIG F COMPANY, INC., RED
BLOSSOM SALES, INC., BETTER
PRODUCE, INC., and DOES 1-8,

Defendants.

Case No.: 2:18-cv-05118-SVW-JPR

CLASS ACTION

**PLAINTIFFS' STATUS REPORT RE
BANKRUPTCY PROCEEDINGS**

Plaintiffs Luis Morales-Garcia, Benito Perez-Reyes, Cesar Jimenez-
Mendoza, Gabriela Rendon-Vasquez, and Juana Velasco-Torres (hereafter
“Plaintiffs”), were H-2A and domestic farmworkers employed in and around Santa
Maria, California to harvest strawberries. Plaintiffs were recruited and employed
by three growers owned by members of the Contreras family, Higuera Farms, Inc.

1 (“Higuera”), La Cuesta Farming Company, Inc. (“La Cuesta”), and Big F
2 Company, Inc. (“Big F”) (collectively “the Contreras Defendants”). Plaintiffs
3 brought the instant putative class action alleging systemic acts of wage theft and
4 other recurrent violations of state and federal labor law. Plaintiffs also alleged that
5 Red Blossom Sales, Inc. (“Red Blossom”) and Better Produce, Inc. (“Better
6 Produce”) were liable for these underlying violations as client employers under
7 California Labor Code section 2810.3 and as joint employer under both California
8 law and federal law.

9 After initially participating in this action, each of the Contreras Defendants
10 defaulted and filed for bankruptcy under Chapter 7. The Court entered judgment in
11 favor of Red Blossom and Better Produce after trial on their liability, and the Court
12 of Appeals ultimately affirmed this judgment.

13 Plaintiffs previously informed the Court that they had negotiated a
14 settlement with the Chapter 7 trustee for each of the bankruptcy cases, Jeremy M.
15 Faith (“the Trustee”). (Dkt. 443, at 4, ¶ 5.) On February 23, 2024, the Court
16 ordered this action stayed, denied the pending class certification motion as moot,
17 and ordered the parties to file a status report within 30 days. (Dkt. 446.)

18 Plaintiffs now submit this status report:

19 1. Plaintiffs and the Trustee finalized a class action settlement
20 agreement in January 2024, and executed on March 18, 2024 (“the Settlement
21 Agreement”). The Settlement Agreement provides for distribution of the vast
22 majority of the limited remaining assets of the Contreras Defendants to the
23 proposed class members in this action, who are the largest unsecured creditors in
24 each case. Plaintiffs’ counsel are waiving all costs and attorney fees. A copy of
25 the Settlement Agreement is attached as Exhibit “1” to the annexed declaration
26 of Ezra Kautz, paragraph 5.

1 2. On March 19, 2024, the Trustee filed a Motion to Approve
2 Compromise, as required by Federal Rule of Bankruptcy Procedure 9019, in each
3 case corresponding to the remaining defendants in this action:

4 a. *In re Higuera Farms, Inc.*, 9:19-bk-11789 (ECF doc. 105);

5 b. *In re La Cuesta Farming Company, Inc.*, 9:19-bk-10992
6 (ECF doc. 130);

7 c. *In re Big F Company, Inc.*, 9:20-bk-10860 (ECF doc. 90).

8 3. The hearings on these motions are set for April 9, 2024.

9 4. Separately, Plaintiffs will shortly be filing their motions for
10 preliminary approval of class action settlement in each of the above bankruptcy
11 cases. If and when preliminary approval is granted, notice will be given to the
12 proposed classes and a date set for a final approval hearing in bankruptcy court.

13
14 DATED: April 1, 2024

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15 By: /s/ Ezra Kautz
16 Attorneys for Plaintiffs